

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING THE SHORTFALL IN GENERAL FUND REVENUE BY  
5 ELIMINATING THE ALLOCATION OF RESOURCE INDEMNITY AND GROUND WATER ASSESSMENT  
6 TAXES TO THE NATURAL RESOURCE WORKERS' TUITION SCHOLARSHIP ACCOUNT; DEPOSITING THE  
7 FUNDS FORMERLY ALLOCATED TO THE SCHOLARSHIP ACCOUNT IN THE STATE GENERAL FUND;  
8 AMENDING SECTIONS 15-38-106 AND 39-10-106, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
9 DATE AND A RETROACTIVE APPLICABILITY DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 **Section 1.** Section 15-38-106, MCA, is amended to read:

14 **"15-38-106. (Temporary) Payment of tax -- records -- collection of taxes -- refunds.** (1) The tax  
15 imposed by this chapter must be paid by each person to which the tax applies, on or before March 31, on the  
16 value of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to the  
17 department at the time that the statement of yield for the preceding calendar year is filed with the department.

18 (2) The department shall, in accordance with the provisions of 15-1-501, deposit in the following order:

19 (a) \$366,000 of the proceeds of the resource indemnity and ground water assessment taxes in the  
20 ground water assessment account established by 85-2-905;

21 (b) 50% of the remaining proceeds in the reclamation and development grants account established by  
22 90-2-1104, for the purpose of making grants to be used for mineral development reclamation projects;

23 (c) \$150,000 of the remaining proceeds of the resource indemnity and ground water assessment taxes  
24 in the ~~natural resource workers' tuition scholarship account established in 39-10-106 for the first fiscal year~~  
25 ~~following July 1 immediately after the date that the governor certifies that the resource indemnity trust fund~~  
26 ~~balance has reached \$100 million and for succeeding fiscal years, the amount required under 39-10-106(4) state~~  
27 general fund;

28 (d) all remaining proceeds in the orphan share account established in 75-10-743.

29 (3) Each person to whom the tax applies shall keep records in accordance with 15-38-105, and the  
30 records are subject to inspection by the department upon reasonable notice during normal business hours.

(4) The department shall examine the statement and compute the taxes to be imposed, and the amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer. If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer. (Terminates June 30, 2007--sec. 10, Ch. 586, L. 2001.)

**15-38-106. (Effective July 1, 2007) Payment of tax -- records -- collection of taxes -- refunds. (1)**

The tax imposed by this chapter must be paid by each person to which the tax applies, on or before March 31, on the value of product in the year preceding January 1 of the year in which the tax is paid. The tax must be paid to the department at the time that the statement of yield for the preceding calendar year is filed with the department.

(2) The department shall, in accordance with the provisions of 15-1-501, deposit in the following order:

(a) \$366,000 of the proceeds in the ground water assessment account established by 85-2-905;

(b) 50% of the remaining proceeds in the orphan share account established in 75-10-743; and

(c) all remaining proceeds in the reclamation and development grants account established by 90-2-1104, for the purpose of making grants to be used for mineral development reclamation projects.

(3) Each person to whom the tax applies shall keep records in accordance with 15-38-105, and the records are subject to inspection by the department upon reasonable notice during normal business hours.

(4) The department shall examine the statement and compute the taxes to be imposed, and the amount computed by the department is the tax imposed, assessed against, and payable by the taxpayer. If the tax found to be due is greater than the amount paid, the excess must be paid by the taxpayer to the department within 30 days after written notice of the amount of deficiency is mailed by the department to the taxpayer. If the tax imposed is less than the amount paid, the difference must be applied as a tax credit against tax liability for subsequent years or refunded if requested by the taxpayer."

**Section 2.** Section 39-10-106, MCA, is amended to read:

**"39-10-106. (Temporary) Natural resource workers' tuition scholarship account -- proration of tuition scholarships.** (1) There is a natural resource workers' tuition scholarship account in the state special revenue fund provided for in 17-2-102.

(2) Money received by the department of labor and industry from private donations or grants must be deposited into the account and expended to fund tuition scholarships and to pay costs associated with administering the program prior to expenditure of money allocated and deposited in the account from the resource indemnity and ground water assessment taxes pursuant to subsection (3).

~~(3) Money allocated from the resource indemnity and ground water assessment taxes under 15-38-106 must be deposited into the account to the credit of the department of labor and industry to fund tuition scholarships awarded pursuant to this part. The department shall transfer funds to the adult education account in the office of public instruction, to the appropriate fund in a community college or tribal college located in Montana, or to the appropriate tuition fund in the appropriate unit of the university system.~~

~~(4)(3) Money on deposit in the account may not revert to the general fund at the close of any fiscal year. After the initial allocation of money from 15-38-106 in the first year following July 1, 2001, the amount of money allocated under 15-38-106 at the beginning of each succeeding fiscal year may be only the amount necessary to restore the balance of the scholarship to \$150,000, including any private donations or grants.~~

~~(5)(4) If funds appropriated in the account are not adequate to provide the maximum allowable tuition scholarships to each eligible individual, the tuition scholarships must be prorated for all eligible individuals, using a percentage reduction adopted by the department of labor and industry. (Terminates June 30, 2007--sec. 10, Ch. 586, L. 2001.)"~~

**NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

**NEW SECTION. Section 4. Retroactive applicability.** [This act] applies retroactively, within the meaning of 1-2-109, to fiscal years beginning after June 30, 2002.

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